



[4830-01-P]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9673]

RIN 1545-BK23

Longevity Annuity Contracts; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment

SUMMARY: This document contains corrections to final regulations (TD 9673) that were published in the **Federal Register** on Wednesday, July 2, 2014 (79 FR 37633).

The final regulations are relating to the use of longevity annuity contracts in tax qualified defined contribution plans.

DATES: This correction is effective **INSERT DATE OF PUBLICATION OF THIS**

DOCUMENT IN THE FEDERAL REGISTER] and applicable beginning July 2, 2014.

FOR FURTHER INFORMATION CONTACT: Jamie Dvoretzky, at (202) 317-6799 (not a toll free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9673) that are the subject of this correction is under section 401(a) of the Internal Revenue Code.

Need for Correction

As published, the final (TD 9673) contains errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

Paragraph 1. The authority citation for part 1 continues to read in part as follows:

Authority: 26 U.S.C. 7805 ***

Par. 2. Section 1.401(a)(9)-6 is corrected by revising paragraph (c)(4)(i) introductory text, the second sentence of paragraph (d)(1)(ii)(B), and paragraph (d)(3)(i) to read as follows:

§1.401(a)(9)-6 Required minimum distributions for defined benefit plans and annuity contracts.

* * * * *

(c) * * *

(4) * * *

(i) * * * In lieu of a life annuity payable to a designated beneficiary under paragraph (c)(1) or (2) of this A-17, a QLAC is permitted to provide for a benefit to be paid to a beneficiary after the death of the employee in an amount equal to excess of –

* * * * *

(d) * * *

(1) * * *

(ii) * * *

(B) * * * If the excess premium (including the fair market value of an annuity contract that is not intended to be a QLAC, if applicable) is returned to the non-QLAC portion of the employee's account after the last valuation date for the calendar year in which the excess premium was originally paid, then the employee's account balance for that calendar year must be increased to reflect that excess premium in the same manner as an employee's account balance is increased under A-2 of § 1.401(a)(9)-7 to reflect a rollover received after the last valuation date.

* * * * *

(3) * * *

(i) Structural deficiency. If a contract fails to be a QLAC at any time for a reason other than an excess premium described in paragraph (d)(1)(ii) of this A-17, then as of the date of purchase the contract will not be treated as a QLAC (for purposes of A-3(d) of §1.401(a)(9)-5) or as a contract that is intended to be a QLAC (for purposes of paragraph (b) of this A-17).

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Martin V. Franks
Chief
Publications and Regulations Branch
Legal Processing Division
Associate Chief Counsel

(Procedure and Administration)

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